

#### MINUTES OF MEETING

February 20, 2008

A meeting of the Benefits and Program Administration Committee (BPAC) was held on Wednesday, February 20, 2008, in the Robert F. Carlson Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at 8:30 a.m. and the following Committee Members were present:

Kurato Shimada, Chair Rob Feckner, Vice Chair Terrance McGuire, representing John Chiang George Diehr Greg Beatty, representing David Gilb Priya Mathur Tony Oliveira

## Other Board members present:

Henry Jones Louis F. Moret Anne Sheehan James Zerio

# AGENDA ITEM 2 – APPROVAL OF THE DECEMBER 18, 2007 BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE MEETING MINUTES

On **MOTION** by Mr. Feckner, **SECONDED** and **CARRIED**, the minutes were approved as presented.

# AGENDA ITEM 3 – STATE LEGISLATIVE PROPOSAL: INACTIVE MEMBER GROUP TERMINATIONS

Wendy Notsinneh, Chief, Office of Governmental Affairs, presented this action item.

On **MOTION** by Dr. Diehr, **SECONDED** and **CARRIED**, that the Board sponsor legislation to allow CalPERS to enter into an agreement with a contracting agency to terminate inactive member groups and merge the inactive group plan into the terminated agency pool.

### AGENDA ITEM 4 – 2007 COST-OF-LIVING REPORT

Ron Seeling, Chief Actuary, submitted the 2007 Cost-Of-Living Report.

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, that the Board adopt this report and file the report with the Governor and the Legislature.

# AGENDA ITEM 5 – ESTABLISHMENT OF ACTUARIALLY ASSUMED INVESTMENT RETURN

Mr. Seeling submitted this as an action item.

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, that the annual investment return used in the actuarial valuations remain unchanged at 7.75%.

### AGENDA ITEM 6 – REVIEW OF ACTUARIAL RATE SMOOTHING POLICIES

Mr. Seeling presented the staff analysis of alternatives to the current actuarial rate smoothing policy.

On **MOTION** by Dr. Diehr, **SECONDED** and **CARRIED**, that the Board make no change to the current rate smoothing methods adopted by the Board in 2005 and that this issue be revisited a year from now.

# AGENDA ITEM 7 – SUMMARY OF THE 2007 RETIRED MEMBERS BOARD ELECTIONS

Rick Nelson, Chief, Operations Support Services Division, submitted the summary of the 2007 Retired Member Board Elections as an information item.

#### AGENDA ITEM 8 – MEMBER BRANCH PERFORMANCE MEASURES

Kathie Vaughn, Assistant Executive Officer, Member and Benefit Services Branch, presented the results of the Performance Management Measures for the second quarter. Ron Kraft, Chief, Customer Service and Education Division, Darryl Watson,

Chief, Member Services Division and Donna Lum, Chief, Benefit Services Division, provided additional detail.

# AGENDA ITEM 9 – EMPLOYER CUSTOMER INQUIRY PERFORMANCE MEASURES

Lori McGartland, Chief, Employer Services Division, presented the Employer Contact Center dashboards.

### AGENDA ITEM 10 – CHIEF ACTUARY REPORT

Mr. Seeling submitted this as an information item.

# AGENDA ITEM 11 - ASSISTANT EXECUTIVE OFFICER REPORT

Ms. Vaughn submitted the AEO matrix as an information item.

## AGENDA ITEM 12 - DRAFT AGENDA FOR MARCH 18, 2008 MEETING

The Committee accepted the draft agenda.

## **AGENDA ITEM 13 – PUBLIC COMMENT**

There was no public comment.

The next meeting of the Benefits and Program Administration Committee is scheduled for March 18, 2008, at 9:00 a.m., in Sacramento, California.

FRED BUENROSTRO
Chief Executive Officer